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FEDERAL COMMUNICATIONS COMMISSION
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OFFICE OF
THE CHAIRMAN

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Honorable Bennie G. Thompson
House of Representatives
1408 Longworth House Office Bldg.
Washington, DC 20515-2402

93-253

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OCT 25 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Congressman Thompson:

This is in response to your letter of September 21, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. You propose that the Commission adopt rules that will afford African Americans and other minorities the opportunity to participate in PCS. Specifically, you propose that the Commission award up to five licenses in each service area and license PCS on a smaller market basis.

On September 23, 1993, the Commission adopted final rules in GEN Docket No. 90-314, allocating 120 megahertz of spectrum for licensed PCS. The Commission decided to award up to seven licenses in each service area and adopted as service areas Basic Trading Areas (BTAs) and Major Trading Areas (MTAs); 60 megahertz of spectrum were allocated for BTAs and 60 megahertz for MTAs. There are 492 BTAs and 51 MTAs for licensing purposes. The Commission concluded that BTAs are representative of likely PCS markets in which local communications will take place, and that MTAs will provide the economies of scale and scope necessary to promote development of low cost PCS equipment. In a companion Notice of Proposed Rule Making in PP Docket No. 93-253, the Commission proposed licensing preferences in 30 megahertz of the BTA spectrum for rural telephone companies, small businesses, and businesses owned by minorities and women.

The Commission's actions that address PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to promote diversity in the provision of PCS. I am attaching the press releases of GEN Docket No. 90-314 and PP Docket No. 93-253 that more fully describe the Commission's actions.

Sincerely,

James H. Quello
Chairman

Enclosures

BENNIE-G. THOMPSON
SECOND DISTRICT, MISSISSIPPI

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September 21, 1993

The Honorable James H. Quello
Chairman
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, D.C. 20554

VIA FAX

RE: PCS RULEMAKING

Dear Commissioner Quello:

As a members of the Small Business Committee and an African-American, I am writing to urge you to consider in the upcoming PCS Rulemaking the ability of minority-owned businesses, particularly those owned by African-Americans to participate in personal communications services. The ruling the Commission offers will determine whether these businesses are provided the opportunity to participate fully in this new industry.

Congress clearly endorsed the participation of small and minority owned enterprises in the provision of PCS in its legislation authorizing the FCC to conduct auctions. This endorsement should be carefully considered by the Commission when it weighs the arguments made by interests calling for only a few PCS licenses covering large regions. Such restrictions would effectively curtail the participation by African-American and other minority owned businesses.

A few regional licenses will place PCS under the control of a few large corporations. A licensing structure allowing up to five licenses in small markets will allow small and minority businesses to effectively compete and deliver their contributions to the PCS marketplace. Awarding multiple licenses and licensing smaller markets will foster competition and efficiency, as well as boost local economies and the national treasury.

PCS RULEMAKING PAGE 2

I urge you to adopt a licensing structure ensuring the participation of African-American and other small and minority-owned businesses' participation in the upcoming PCS auction process. Open entry for all parties interested in offering personal communications services, multiple licenses, and small market areas will create competition and innovation in the marketplace and will ensure all equal participation in our nations's wireless future.

Sincerely yours,



Bennie G. Thompson
Member of Congress

BGT/sfp